

EXECUTIVE OFFICE OF THE PRESIDENT
NATIONAL SECURITY COUNCIL
WASHINGTON

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March 3, 1958

*filed, Enclosed -
2 N.S.C. Configuration*

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: U. S. Economic Defense Policy

- REVERENCES: A. NSC 5704/3 and references listed therein
B. NSC Action No. 1857
C. Memo for NSC from Acting Executive Secretary,
same subject, dated June 25, 1957
D. Memo for NSC from Executive Secretary, same
subject, dated February 17 and 26, 1958
E. Progress Report, dated March 8-December 31,
1957, by the Secretaries of State and Commerce
on NSC 5704/1 and NSC 5704/3
F. NSC Action No. 1865

The National Security Council, the Acting Secretary of the Treasury,
the Acting Secretary of Commerce, and Mr. Maurice H. Stans for the
Director, Bureau of the Budget, at the 356th NSC Meeting on Febru-
ary 27, 1958 (NSC Action No. 1865):

- a. Discussed the actions by the Council on Foreign Economic Policy,
taken pursuant to NSC Action No. 1857 and transmitted by the ref-
erence memorandum of February 17, 1958, with particular reference
to the U. S. position in current negotiations on multilateral se-
curity trade controls; in the light of the views of the Joint
Chiefs of Staff, transmitted by the reference memorandum of Feb-
ruary 26, 1958, and the reference Progress Report on NSC 5704/1
and NSC 5704/3.
- b. Agreed that the best interests of the United States would be
served by liberalizing the multilateral security controls on
trade with the Sino-Soviet bloc; thereby facilitating accord
with our allies and agreement on the maintenance of an effec-
tive multilateral security trade control system. Such system
should continue controls on munitions and atomic energy items
and on other items having a clear military application or in-
volving advanced technology of strategic significance not avail-
able to the Sino-Soviet bloc.

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- 2 -

- c. Requested the Council on Foreign Economic Policy to review current U. S. Economic Defense Policy (NSC 5704/3) in the light of b above and of developments in such current multilateral security trade control negotiations.

The President has this date approved the above actions. Accordingly, paragraph b thereof is transmitted herewith for implementation by the Secretary of State, in consultation with the Secretaries of Defense and Commerce and with the advice of the Director of Central Intelligence, in relation to the current multilateral security trade control negotiations.

James S. Lay, Jr.
JAMES S. LAY, JR.
Executive Secretary

cc: The Secretary of Defense
The Secretary of Commerce
The Director of Central Intelligence ✓